RE: Honesty in Billing 8/27-28/04 Commission Meeting Open Session Item III.H.

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INTER-OFFICE MEMORANDUM

TO: MEMBERS OF THE COMMISSION

FROM: A.M. VOOGD

RE: HONESTY IN BILLING (III.H.)

DATE: 8-1-04

I have no new ideas. Accordingly, I am indebted to Robert K. Sall for the following suggestion:

- (A) A member shall not engage in fraudulent, dishonest or deceptive billing practices.
- (B) Where the compensation for legal services payable to a member or a member's Law Firm is based upon an hourly rate or increments of time, the member shall maintain a reasonably accurate method of recording such time, and written records thereof, which shall be made available to the client upon reasonable and timely request.

[Another area of potential abuse regards the billing of costs, which are often passed through to clients with an undisclosed mark-up, creating a secret profit center for the law firm. If the Commission is inclined to address costs in this proposed rule, I believe it would be appropriate to add:]

(C) A member shall not charge costs to a client at an amount in excess of actual cost unless the member has the client's informed written consent.